DOCUMENT RESUME

ED 197 176 CE 027 806

AUTHOR Egan, B.
TITLE Mountain Plains Learning Experience Guide: Marketing. Course: Purchasing.
INSTITUTION Mountain-Plains Education and Economic Development Program, Inc., Glasgow AFB, Mont.
SPONS AGENCY Office of Vocational and Adult Education (ED), Washington, D.C.
BUREAU NO 498MH90008
PUB DATE Mar 75
CONTRACT 300-79-0153
NOTE 70p.: For related documents, see CE 027 766 and CE 027 796-808.

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Adult Education; Business Education; Disadvantaged; *Distributive Education; Family Programs; Food Service; *Individualized Instruction; Instructional Materials; Learning Activities; Learning Modules; *Marketing; *Merchandising; Postsecondary Education; *Purchasing; *Retailing; Vocational Education
IDENTIFIERS Mountain Plains Program

ABSTRACT

One of thirteen individualized courses included in a marketing curriculum, this course covers buying merchandise for resale, selecting vendors, bargaining for prices, and purchasing supplies for commercial food and beverage service establishments. The course is comprised of two units: (1) Merchandise Buying and (2) Food and Beverage Purchasing. Each unit begins with a Unit Learning Experience Guide that gives directions for unit completion. The remainder of each unit consists of Learning Activity Packages (LAP) that provide specific information for completion of a learning activity. Each LAP is comprised of the following parts: objective, evaluation procedure, resources, procedure, supplemental sheets, study guide, and a LAP test with answers. The course is preceded by a pretest which is designed to direct the student to units and performance activities. (LRA)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED197176

MOUNTAIN PLAINS LEARNING EXPERIENCE GUIDE:

Marketing.

Course: Purchasing.

CE 027 806

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

File Code: 27.11.00.00.A2-1

Date Published: 3/24/75

Learning Experience Guide

COURSE: PURCHASING

DESCRIPTION:

This course covers buying merchandise for resale, selecting vendors, bargaining for prices, and purchasing supplied for commercial food and beverage service establishments.

RATIONALE:

Knowledge of correct buying procedures is needed by mid-management personnel in order for them to have available the goods and services required by their customers.

PREREQUISITES:

Communication Skills at Level I

OBJECTIVES:

Identify the fundamentals of buying merchandise for resale or purchasing supplies for commercial food and beverage establishments. Calculate mathematical problems related to purchasing.

RESOURCES:

A resource list is attached.

GENERAL INSTRUCTIONS:

Merchandise mid-management students complete Unit .01 and take unit test.
Food and Lodging mid-management students complete Unit .02 and take unit test.

Principal Author(s): B. Egan

UNIT TITLES:

.01 Merchandise Buying
.02 Food and Beverage Purchasing

EVALUATION PROCEDURE:

Mid-management students answer the questions on the course test which pertain to Unit .01. Students taking Unit .02 "Food and Beverage Purchasing" as support to another Curriculum Area will answer the Unit .02 questions.

FOLLOW-THROUGH:

When you have completed this course, contact the instructor for instructions regarding further study.

COURSE PRETEST ANSWER KEY: PURCHASING

Occupational Area:
File Code: 27.11.00.00.A2-2
Name:

ANSWERS

27.11.01.01	1. a		27.11.01.05	21. d		27.11.02.01	41. a
	2. b			22. d			42. c
	3. c			23. c			43. d
	4. a			24. c			44. c
	5. a			25. a			45. c
27.11.01.02	6. b		27.11.01.06	26. c		27.11.02.02	46. c
	7. c			27. c			47. d
	8. b			28. c			48. d
	9. c			29. b			49. b
	10. c			30. c			50. a
27.11.01.03	11. d		27.11.01.07	31. c		27.11.02.03	51. a
	12. b			32. a			52. a
	13. d			33. a			53. d
	14. d			34. c			54. b
	15. b			35. c			55. c
27.11.01.04	16. c		27.11.01.08	36. d		27.11.02.04	56. b
	17. a			37. d			57. c
	18. d			38. d			58. a
	19. d			39. c			59. c
	20. d			40. a			60. d

COURSE PRETEST ANSWER KEY: PURCHASING

Occupational Area: _____
File Code: 27.31.00.00.A2-2
Name: _____

ANSWERS

7.11.02.05	61. b	81.	101.
	62. b	82.	102.
	63. a	83.	103.
	64. c	84.	104.
	65. b	85.	105.
27.11.02.06	66. d	86.	106.
	67. d	87.	107.
	68. d	88.	108.
	69. c	89.	109.
	70. d	90.	110.
7.11.02.07	71. a	91.	111.
	72. d	92.	112.
	73. a	93.	113.
	74. c	94.	114.
	75. c	95.	115.
	76.	96.	116.
	77.	97.	117.
	78.	98.	118.
	79.	99.	119.
	80.	100.	120.

Student: _____ File Code: 27.11.00.00.A2-2

Date: _____ Date Published: 8/5/75

COURSE POST TEST: PURCHASING

27.11.01.01

1. A buyer tries to buy items in larger quantities so he will be allowed:

   a. a discount.
   b. bargining powers.
   c. priority consideration.
   d. better goods.

2. Materials, equipment, and supplies that are used in the operation of an industrial firm are purchased by a (n):

   a. wholesale buyer.
   b. industrial buyer.
   c. promotion manager.
   d. office manager.

3. The buyer is responsible for providing the sales force with:

   a. public relations training.
   b. enthusiasm.
   c. merchandise training.
   d. promotion planning.

4. In deciding what to buy and where to buy, the buyer follows:

   a. a plan.
   b. the office manager's advice.
   c. the receiving department's advice.
   d. the promotion division's guidance.

5. The buying and selling activities of a branch store and the buying and selling activities of the main store must be coordinated by the:

   a. buyer.
   b. seller.
   c. division manager.
   d. sales people.

27.11.01.02

6. A clearly defined course of action or procedure adopted and followed by a store is the store's:

   a. marking system.
   b. policy.
   c. promotion strategy.
   d. budget.

7. The buyer can tell what items have sold well by studying past:

   a. purchase orders.
   b. invoices.
   c. sales records.
   d. want slips.

8. Items that are always carried in stock are known as:

   a. seasonal goods.
   b. staple goods.
   c. common goods.
   d. want goods.

9. A list which contains a description of the items which are in constant demand is called a:

   a. want list.
   b. common stock list.
   c. basic stock list.
   d. consumer survey.

10. The buyer keeps informed about the merchandise and prices offered by other stores through the services of:

    a. fashion coordinators.
    b. consumer surveys.
    c. comparison shoppers.
    d. trade papers.

27.11.01.03

11. Buying small quantities of stock that moves rapidly is called what type of buying?

    a. boomerang buying.
    b. anticipated buying.
    c. installment.
    d. hand-to-mouth.

12. Buying fixed quantities at regular intervals during the year is known as buying on the basis of:

    a. seasonal buying.
    b. anticipated needs.
    c. sample buying.
    d. wholesale buying.

13. A record of pertinent facts about merchandise resources that have supplied the store with goods is a:

    a. sales record.
    b. merchandise resource.
    c. central market.
    d. resource file.

14. When retailer is located same distance from the source of supply, in order to find his merchandise resources, the buyer must travel to the:

    a. trade show.
    b. merchandise resource.
    c. resource file.
    d. central market.

15. "Trade Shows" are set up for buying so they can:

    a. trade slow merchandise with someone else's slow goods.
    b. get previews of new merchandise in central markets.
    c. bid in old merchandise which moves slowly.
    d. see foreign designs which are up for trade.

27.11.01.04

16. In every price negotiation, the buyer must consider not only the price and quality of the merchandise, but also the:

    a. cash discount.
    b. sale discount.
    c. terms of sale.
    d. promotional allowance.

17. A discount given on a single order to encourage the buyer to place larger orders is what type of a quantity discount?

    a. Noncumulative.
    b. Cumulative.
    c. Patronage.
    d. Seasonal.

18. A discount given on the total quantity purchased over a given period is what type of a quantity discount?

    a. Seasonal Discount.
    b. Noncumulative.
    c. Patronage.
    d. Cumulative.

19. Instead of issuing a new catalog when prices go up, some vendors change the:

    a. season dating.
    b. cash discount.
    c. promotional allowance.
    d. trade discount.

20. The credit period is based on the date appearing on the bill or invoice if what dating is used?

    a. Extra dating.
    b. Advanced dating.
    c. Season dating.
    d. Ordinary dating.

27.11.01.05

21. A projection in dollars, of the sales goals of a department or an entire store is a:

    a. term of sale.
    b. reasonable goal.
    c. memorandum.
    d. merchandise plan.

22. In a larger store, the merchandise plan is initiated by the:

    a. wholesaler.
    b. salespeople.
    c. division manager.
    d. buyer.

23. The various departmental and divisional merchandise plans are combined into a master plan for the store by the:

    a. buyer.
    b. division manager.
    c. controller.
    d. store manager.

24. A good indication of future sales can be gained by studying the figures of the store's:

    a. merchandise plan.
    b. competitors.
    c. past sales.
    d. consignment.

25. In constructing the merchandise plan to meet the planned volume of sales, it is necessary to determine the:

    a. amount of stock.
    b. past sales.
    c. consumer surveys.
    d. price-lining.

27.11.01.06

26. A system, based on physical quantities or units rather than on dollar values, that assists the buyer in keeping stocks adjusted to sales is known as:

    a. merchandise plan.
    b. stock-sales ratio.
    c. unit stock control.
    d. consignment sale.

27. The buyer is able to use his capital wisely from information revealed by:

    a. a tickler file.
    b. stock-control records.
    c. unit-control records.
    d. a merchandise plan.

28. What is used to remind the buyer when the count of certain portions of stock is to be taken?

    a. Unit-control records.
    b. Basic stock list.
    c. A tickler file.
    d. Vender's diary.

29. The minimum amount of stock that should be on hand for each type of goods sold and the quantity that should be recorded are shown in the:

    a. tickler file.
    b. basic stock list.
    c. unit-control records.
    d. merchandise plan.

30. Sales information for the unit-control records is taken from the:

    a. vendor's diary.
    b. tickler file.
    c. sales check.
    d. cash register.

27.11.01.07

31. Before the buyers can determine the rate of turnover, the buyers must find the:

    a. unit-stock control.
    b. daily sales per item.
    c. average inventory.
    d. vendor's diary.

32. The buyer divides the net sales (at retail value) by the average stock at retail in order to determine the:

    a. rate of turnover on a retail basis.
    b. rate of turnover on a wholesale basis.
    c. average inventory.
    d. shortage.

33. The buyer is open to buy new merchandise more frequently when:

    a. the rate of turnover is fast.
    b. the staff has enthusiasm.
    c. there is limited assortment of merchandise.
    d. the store has a complete stock.

34. Stock will move slowly if a buyer is not aware of the wants of the:

    a. divisional manager.
    b. store manager.
    c. customer.
    d. wholesaler.

35. Slow turnover may be caused by the buyer's failure to:

    a. make use of unit control records.
    b. keep in contact with the wholesaler.
    c. make use of stock control data.
    d. make use of unit stock sales ratio.

27.11.01.08

36. The amount of money needed at a given time by the customer to acquire a particular type of product is the:

    a. want.
    b. marking.
    c. need.
    d. price.

37. Most buyers take a long-term view and do not indulge in drastic price changes that affect:

    a. stock inventory.
    b. customer relations.
    c. salespeople's enthusiasm.
    d. price stability.

38. If goods are sold at any given time to all customers at the price that is marked clearly on the goods, what type of policy is being used?

    a. Unfair sales practice.
    b. Variable price.
    c. Price lines.
    d. One-price.

39. The limited number of prices at which a particular type of merchandise is sold is known as:

    a. one-price.
    b. fair-trade.
    c. price lines.
    d. variable price.

40. Laws that permit the manufacturer to determine the retail prices at which his merchandise will be sold are known as what acts?

    a. Fair-trade.
    b. Ceiling.
    c. Markdown.
    d. Competing.

27.11.02.01

41. A person who specializes in distribution of one single line of product is called a (n):

    a. single-line wholesaler.
    b. general-line wholesaler.
    c. specialty wholesaler.
    d. drop skipper.

42. A person who carries a wide variety of goods is called a:

    a. drop skipper.
    b. specialty wholesaler.
    c. general-line wholesaler.
    d. broker.

43. A person who deals in a narrow range of goods is called a:

    a. broker.
    b. single-line wholesaler.
    c. general-line wholesaler.
    d. specialty wholesaler.

44. Another name for a "drop skipper" is a:

    a. merchandise agents.
    b. good broker.
    c. desk jobber.
    d. commercial representative.

45. The major factor in choosing a purveyor for a good purchaser is:

    a. price.
    b. supply.
    c. quality of the food and beverage.
    d. quantity of the food and beverage supplies at a reasonable price.

27.11.02.02

46. A distinction must be made between eating apples and:

    a. roadside apples.
    b. apples with low amounts of citric acid.
    c. cooking apples.
    d. apples with no amount of acid.

47. There are two types of asparagus that are sold on the fresh vegetable market; one is green and one is:

    a. yellow.
    b. brown.
    c. blanched.
    d. white.

48. The one type of asparagus which is grown only for the canning industry is:

    a. white.
    b. yellow.
    c. brown.
    d. blanched.

49. How are bananas ripened?

    a. On the vine.
    b. In ripening rooms.
    c. On the road to the retailer.
    d. They are still green when they get to the store and the store lets them ripen there.

50. If the stems of a cantalope are cut or broken, the melons were picked:

    a. when they were green.
    b. when they were too ripe.
    c. to ripen in a couple of days.
    d. during the frost.

27.11.02.03

51. When the product doesn't meet the standards recommended by the Canning Association, it must be labeled as:

    a. slack fill.
    b. the number of ounces in the can only.
    c. standard fill.
    d. light fill.

52. What is the highest grade of processed foods that you can get?

    a. Grade A.
    b. Grade B.
    c. Extra standard.
    d. Grade C.

53. Do frozen foods specify how much weight is in a package?

    a. All the time.
    b. Only some products require it.
    c. Sometimes they all do.
    d. No.

54. When foods are preserved by sterilization with radiation they are called:

a. dehydra-frozen.
b. deradiated.
c. freeze-dried.
d. dried.

55. In how many different forms is asparagus available in a frozen commodity?

a. Five.
b. Two.
c. Three.
d. Four.

27.11.02.04

56. Most operations purchase baked goods, such as bread, pies, and pastries on what kind of a basis?

a. Consignment.
b. Contract.
c. Noncumulative.
d. Daily bid.

57. Good sandwich bread has what kind of a texture?

a. Soft crumb.
b. Open.
c. Close.
d. Light air-holes.

58. Unbleached flour is flour that has been aged:

a. naturally.
b. quickly.
c. under pressure.
d. with baking properties added prior to agency.

59. Whole wheat flour which has not been completely ground is called:

a. blended flour.
b. gluten flour.
c. graham flour.
d. enriched flour.

60. Crackers are generally purchased by:

a. per thousands.
b. count.
c. per hundred.
d. weight.

27.11.02.05

61. The meat of the same animal at different stages of growth are beef and:

a. pork.
b. veal.
c. chicken.
d. sausage.

62. The amount of color, distribution of fat in the particular cut, is called:

a. quality.
b. finish.
c. conformation.
d. distribution.

63. The firmness, strength, and thichness of the meat tissue and the meat juices is called:

a. quality.
b. finish.
c. conformation.
d. strength.

64. Good veal is which color?

a. dark brown-red.
b. deep red.
c. light pink.
d. deep purple.

65. Which part of a pig do buyers like to buy because it is the best cut?

a. Front cut loin.
b. Center cut loin.
c. Rear cut loin.
d. Rear flank.

27.11.02.06

66. In addition to variety of grape locality, processing, and blending, what is the factor in the quality of wine?

a. Analyzing components.
b. Handling.
c. Storing.
d. Age.

67. A food and beverage buyer's time and effort is what percent routine?

a. 25%.
b. 75%.
c. 50%.
d. 90%.

68. Wine is fermented from:

a. wheat and fruits.
b. only grapes.
c. wheat.
d. any fruit.

69. Whiskeys are made from:

a. wheat.
b. fermentation of grains and fruits.
c. alcohol produced by the distillation of any alcohol containing product.
d. barley and wheat.

70. Wines are purchased in three categories: fortified, still, and:

a. bulk.
b. dry.
c. distilled.
d. sparkling.

27.11.02.07

71. If a buyer for a Polynesian Restaurant chooses to buy a completely prepared item for each of his specialties, he may contact a single:

a. frozen food distributor.
b. seafood purveyor.
c. tropical produce purveyor.
d. pork specialist purveyor.

72. The receiving clerk both weighs items received and:

a. prepares some food for tasting.
b. stack purchases on the shelves.
c. purchases stock from the purveyor.
d. counts items received.

73. Where convenience foods are not purchased, how much more manpower is needed in a ktichen?

a. 3 times more.
b. 2 times more.
c. 97 one, manpower labor is the same for both.
d. 10 times more.

74. The only truly convenience foods are labeled as:

a. minimally processed items.
b. partially processed items.
c. completely processed products.
d. freeze dried.

75. Frozen, breaded, fillet of cod would be an example of a:

a. freeze-dried item.
b. completely processed item.
c. partially processed item.
d. minimally processed item.

File Code: 27.11.01.00.A2-1

Date Published: 4/15/75

Learning Experience Guide

UNIT: MERCHANDISE BUYING

RATIONALE:

Identify correct buying procedures needed by mid-management personnel in order that they will have the merchandise required by their customers available at the right time and at the right place.

PREREQUISITES:

Communication Skills at Level J.

OBJECTIVE:

Identify the fundamentals of buying merchandise for resale. Calculate mathematical problems related to buying.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, and Haines, Gregg Division/McGraw-Hill Book Co., 1971

GENERAL INSTRUCTIONS:

Merchandise mid-management students complete all performance activities in this unit.

PERFORMANCE ACTIVITIES:

.01 Functions of a Merchandise Buyer
.02 Choosing the Product
.03 Choosing the Vendor
.04 Negotiating the Price
.05 Planning a Merchandise Budget
.06 Planning a Merchandise Assortment
.07 Stock Turnover
.08 Pricing

Principal Author(s): B. Egan

EVALUATION PROCEDURE:

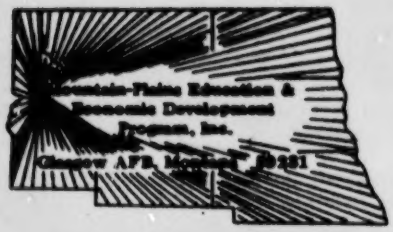
Complete an instructor scored multiple-choice type of test. Successful completion is eight out of ten items.

FOLLOW-THROUGH:

Upon completion of this unit, contact the instructor for information regarding further study.

Student: _____ File Code: 27.11.01.00.A-2

Date: _____ Date Published: 8/9/74



UNIT PRETEST: MERCHANDISE BUYING

27.11.01.01

1. If sales people show interest in their customers and provide efficient service, they will foster good:

   a. enthusiasm.
   b. public relations.
   c. displays.
   d. oral expression.

2. For the sake of good coordination when buying, the buyer often seeks guidance from the:

   a. office manager.
   b. receiving department.
   c. marketing department.
   d. promotion division.

3. When a buyer orders a large amount of goods, he should inform the:

   a. receiving department.
   b. promotion department.
   c. marketing department.
   d. division manager.

4. Branch stores within traveling distance must be visited by the buyer every:

   a. day.
   b. month.
   c. week.
   d. year.

5. A system which quickly presents the important facts about the merchandise to the salesperson and the customer is the:

   a. receiving system.
   b. marking system.
   c. wholesale system.
   d. promotion system.

27.11.01.02

6. A specialist who advises a store's merchandising and advertising divisions about style trends is called a:

   a. division manager.
   b. sales representative.
   c. comparison shopper.
   d. fashion coordinator.

7. Daily or weekly bulletins on merchandise, customer response, and supplies are issued by:

   a. sales representatives.
   b. reporting services.
   c. trade papers.
   d. consumer surveys.

8. The buyer can often obtain up-to-date merchandise information from:

   a. consumer surveys.
   b. division managers.
   c. reporting services.
   d. sales representatives.

9. Brands that carry the label of the retailer who sells them, rather than the manufacturer's brand name are called:

   a. fashion brands.
   b. national brands.
   c. private brands.
   d. boutique brands.

10. Items that have a good sales record over a long period of time, are known as:

   a. repeat items.
   b. styles.
   c. staple goods.
   d. national brands.

27.11.01.03

11. Sources of supply, or vendors, are called:

   a. merchandise resources.
   b. salesmen.
   c. central market.
   d. manufacturers.

12. Stores that buy small quantities of many different items find that their best sources of supply are:

    a. central market.
    b. retailers.
    c. manufacturers.
    d. wholesalers.

13. A record of the buyer's experience with each of his principal resources is contained in the:

    a. merchandise resources.
    b. vendor's diary.
    c. resource file.
    d. reporting services.

14. The buyer who wants to be supplied with reliable product information can get it from the:

    a. resource file.
    b. vendor's diary.
    c. central market.
    d. testing laboratory.

15. The retailer's representative in the central market is the:

    a. buying office.
    b. wholesaler.
    c. retailer.
    d. division manager.

27.11.01.04

16. A price reduction given by the seller to the buyer in payment for promotional services performed by the buyer is a:

    a. promotional allowance.
    b. cash discount.
    c. trade discount.
    d. cumulative discount.

17. The credit period is based on a date later than the date of the invoice if what type of dating is used?

    a. Advanced dating.
    b. Ordinary dating.
    c. Season dating.
    d. Extra dating.

18. Payment must be made by the buyer when goods are received if merchandise is sold on what basis?

    a. Consignment.
    b. Anticipation.
    c. FOB.
    d. COD.

19. The supplier owns the goods until they are delivered to the transportation firm when merchandise is shipped FOB:

    a. consignment.
    b. city of destination.
    c. store.
    d. shipping point.

20. Title remains with the vendor, and the buyer may return unsold goods, in what type of a sale?

    a. Memorandum.
    b. Consignment.
    c. Purchase order.
    d. Boutique.

27.11.01.05

21. A good indication of future sales can be gained by studying the figures of the store's:

    a. merchandise plan.
    b. competitors.
    c. past sales.
    d. consignment.

22. Realistic sales forecast must take into account general:

    a. merchandise resources.
    b. business conditions.
    c. competitors.
    d. manufacturers.

23. In constructing the merchandise plan to meet the planned volume of sales, it is necessary to determine the:

    a. amount of stock.
    b. past sales.
    c. consumer surveys.
    d. price-lining.

24. The buyer plans markdowns to stimulate:

    a. thefts.
    b. adequate assortment.
    c. cumulative markup.
    d. sales.

25. The difference in the cost and the retail price of the total merchandise handled in a department is the:

    a. consignment.
    b. expense reduction.
    c. cumulative markup.
    d. cash discount.

27.11.01.06

26. When a minimum stock quantity has been reached, what will show when stock must be ordered?

    a. Merchandise plan.
    b. Stock-sales ratio.
    c. Unit-control records.
    d. Vendor's diary.

27. What helps the buyer in gauging which items should be offered in sales?

    a. Vendor's diary.
    b. Merchandise plan.
    c. Unit control plan.
    d. Tickler file.

28. If merchandise is placed in different lines according to size, the sizes that need to be recorded can be determined by a:

    a. visual inspection.
    b. tickler file.
    c. stock-control record.
    d. unit-control record.

29. Coded unit-control information may be recorded at the time of the sale on the:

    a. unit-control records.
    b. sales slip.
    c. stock-control records.
    d. cash register.

30. What helps the buyer to detect changes in kinds of merchandise brought about in customer buying habits?

    a. Stock-control records.
    b. Unit-control records.
    c. Tickler file.
    d. Vendor's diary.

27.11.01.07

31. By adding the inventory he had at the opening of a period to the inventory he had at the close of a period and dividing by two, the buyer finds the:

    a. fast selling items.
    b. average inventory.
    c. stock sales ratio.
    d. stock turnover.

32. A buyer has no way of comparing his department's rate of turnover with that of similar departments in other stores:

    a. some of the time.
    b. true.
    c. false.
    d. never.

33. Many of the operating expenses are proportionally reduced as the department increases its:

    a. wholesalers.
    b. stock on hand.
    c. staff's enthusiasm.
    d. rate of turnover.

34. Sales will suffer if the buyer does not transmit information about the merchandise to his:

    a. divisional manager.
    b. salespeople.
    c. wholesaler.
    d. stock manager.

35. A buyer can increase sales without increasing costs if he uses good:

    a. bookkeeping.
    b. store policies.
    c. advertising.
    d. stock control.

27.11.01.08

36. In pricing merchandise, the buyer must consider whether the supply exceeds the:

a. competition.
b. markup.
c. demand.
d. operating expenses.

37. Sacrificing profits on a few items in order to attract customers is known as:

a. leader pricing.
b. markdown.
c. cost discount.
d. price cutting.

38. If the price paid by a customer at a given time for a certain item is determined by a bargaining process between the customer and the salesperson, what policy is being used?

a. Hard sell.
b. One-price.
c. Variable price.
d. Bartering.

39. Some retailers believe that odd-cent prices have an effect on customers; that effect is:

a. psychological.
b. toxic.
c. gastronomical.
d. anatomical.

40. Laws that set limits below which retailers may not price their merchandise are known as what acts?

a. Cumulative markup.
b. Fair-trade practices.
c. Minimum stock quantity.
d. Unfair trade practices.

UNIT PRETEST: MERCHANDISE BUYING

LAP .01

1. b
2. d
3. a
4. c
5. b

LAP .02

6. d
7. b
8. d
9. c
10. a

LAP .03

11. a
12. d
13. b
14. d
15. a

LAP .04

16. a
17. a
18. d
19. d
20. b

LAP .05

21. c
22. b
23. a
24. d
25. c

LAP .06

26. c
27. c
28. a
29. d
30. a

LAP .07

31. b
32. c
33. d
34. b
35. c

LAP .08

36. c
37. a
38. c
39. a
40. d

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

File Code: 27.11.01.01.A2-0
Date Published: 3/24/75

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Functions of a Merchandise Buyer

OBJECTIVE:

Identify terms related to the functions of a merchandise buyer, define each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

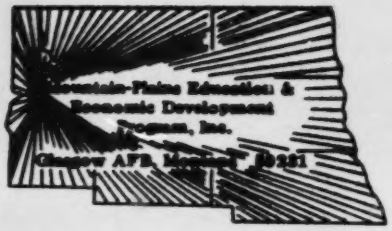
PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 1 through 9.
3. Answer questions 1 through 8 on page 10, and question 4 on page 11, on a separate sheet of paper. Answer questions on pages 4, 5, 7, 9 and 10 "Learning Pacers". Cover answers on right side prior to writing on separate sheet of paper.
4. Turn in your answer sheet to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.01.A2-2

Date: _____ Date Published: 8/12/74



LAP TEST: FUNCTIONS OF A MERCHANDISE BUYER

1. A buyer tries to buy items in larger quantities so he will be allowed:

   a. a discount.
   b. bargaining powers.
   c. priority consideration.
   d. better goods.

2. A specialist in buying, pricing, and reselling a particular line of goods to retailers or to other business firms is a (n):

   a. division manager.
   b. industrial buyer.
   c. warehouse and traffic manager.
   d. wholesaler buyer.

3. Whenever merchandise is advertised, the buyer should see that the store has a:

   a. display.
   b. budget.
   c. shortage.
   d. public relations gimmick.

4. If sales people show interest in their customers and provide efficient service, they will foster good:

   a. enthusiasm.
   b. public relations.
   c. displays.
   d. oral expression.

5. In deciding what to buy and where to buy, the buyer follows:

   a. a plan.
   b. the office manager's advice..
   c. the receiving department's advice.
   d. the promotion division's guidance.

6. When a buyer orders a large amount of goods, he should inform the:

   a. receiving department.
   b. promotion department.
   c. marketing department.
   d. division manager.

7. The buying and selling activities of a branch store and the buying and selling activities of the main store must be coordinated by the:

   a. buyer.
   b. seller.
   c. division manager.
   d. sales people.

8. Branch stores within traveling distance must be visited by the buyer every:

   a. day.
   b. month.
   c. week.
   d. two weeks.

9. A small shop within a dapartment store that capitalizes on current ideas, moods, and trends in fashion is called:

   a. complex.
   b. vogue.
   c. coordinated facility.
   d. boutique.

10. Management policies are communicated to vendors, customers and employees by the:

   a. seller.
   b. buyer.
   c. division manager.
   d. promotion division.

LAP TEST ANSWER KEY: FUNCTIONS OF A MERCHANDISE BUYER

1. a
2. d
3. a
4. b
5. a
6. a
7. a
8. c
9. d
10. b

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

File Code: 27.11.01.02.A2-0
Date Published: 3/24/75

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Choosing the Product

OBJECTIVE:

Identify terms related to choosing a specific product for resale, define each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

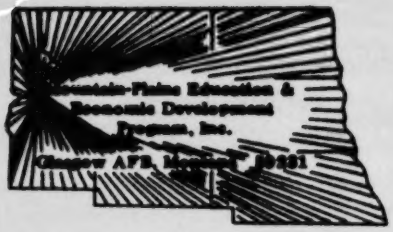
PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 15 through 24.
3. Answer questions 1 through 10 under "Talking Business" on page 25, and questions 1 and 2 under "Sharpen Your Outlook" on page 25 on a separate sheet of paper. Answer questions on pages 18, 21, and 24, "Learning Pacers", prior to answering questions on a separate sheet of paper; cover the right side.
4. Turn in your answer sheets to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.02.A2-2

Date: _____ Date Published: 8/12/74



LAP TEST: CHOOSING THE PRODUCT

1. The most challenging aspect of a buyer's job is:

   a. working within the department budget.
   b. deciding what merchandise to buy.
   c. working within the department shortages.
   d. deciding what the competition is doing.

2. A clearly defined course of action or procedure adopted and followed by a store is the store's:

   a. marking system.
   b. policy.
   c. promotion strategy.
   d. budget.

3. The buyer can tell what items have sold well by studying past:

   a. purchase orders.
   b. invoices.
   c. sales records.
   d. want slips.

4. Items that are always carried in stock are known as:

   a. seasonal goods.
   b. staple goods.
   c. common goods.
   d. want goods.

5. A written record that carries a customer's request for merchandise that cannot be supplied from stock is called a:

   a. stock list.
   b. request form.
   c. basic stock list.
   d. consumer survey.

6. The buyer keeps informed about the merchandise and prices offered by other stores through the services of:

   a. fashion coordinators.
   b. consumer surveys.
   c. comparison shoppers.
   d. trade papers.

7. A select group of customers who work with a store's management and buyers in reviewing new products is known as a:

   a. comparison shopper.
   b. reporting services.
   c. sales representative.
   d. consumer panel.

8. Daily or weekly bulletins on merchandise, customer response, and supplies are issued by:

   a. sales representatives.
   b. reporting services.
   c. trade papers.
   d. consumer surveys.

9. The buyer can often obtain up-to-date merchandise information from:

   a. consumer surveys.
   b. division managers.
   c. reporting services.
   d. sales representatives.

10. Brands that carry the label of the retailer who sells them, rather than the manufacturer's brand name are called:

    a. fashion brands.
    b. national brands.
    c. private brands.
    d. boutique brands.

LAP TEST ANSWER KEY: CHOOSING THE PRODUCT

1. b
2. b
3. c
4. b
5. c
6. c
7. d
8. b
9. d
10. c

File Code: 27.11.01.03.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Choosing the Vendor

OBJECTIVE:

Identify terms related to choosing a merchandise resource, define each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is **eight out of ten items.**

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 29 through 37.
3. Neatly answer questions 1 through 9 under "Talking Business" on pages 37 and 38, and questions 4 and 7 under "Sharpen Your Outlook" on page 38, on a separate sheet of paper. Answer questions on pages 31, 34, and 37 "Learning Pacers". Prior to answering questions, cover answers on the right side. Use a separate sheet of paper.
4. Turn in your answer sheet to the instructor.
5. **Return the text.**
6. **Take the LAP test. Correct all errors**
7. **When this LAP is successfully completed,** proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.03.A2-2

Date: _____ Date Published: 8/12/74

LAP TEST: CHOOSING THE VENDOR

1. Buying small quantities of stock that moves rapidly is called what type of buying?

   a. boomerang buying.
   b. anticipated buying.
   c. installment.
   d. hand-to-mouth.

2. Buying fixed quantities at regular intervals during the year is known as buying on the basis of:

   a. seasonal buying.
   b. anticipated buying.
   c. sample buying.
   d. wholesale buying.

3. Sources of supply, or vendors, are called:

   a. merchandise resources.
   b. salesmen.
   c. central market.
   d. manufacturers.

4. A record of pertinent facts about merchandise resources that have supplied the store with goods is a:

   a. sales record.
   b. merchandise resource.
   c. central market.
   d. resource file.

5. "Trade Shows" are set up for buyers so they can:

   a. trade slow merchandise with someone else's slow goods.
   b. get previews of new merchandise.
   c. bid in old merchandise which moves slowly.
   d. see foreign designs which are up for trade.

6. Buyers often contact importers in New York or on the West Coast in order to:

   a. determine the coming styles.
   b. buy foreign goods.
   c. buy goods at a cheaper price.
   d. get a better quality of goods.

7. Stores that buy small quantities of many different items find that their best sources of supply are:

   a. central market.
   b. retailers.
   c. manufacturers.
   d. wholesalers.

8. Stores that buy large quantities of certain lines of merchandise often find it best to buy from:

   a. manufacturers.
   b. wholesalers.
   c. retailers.
   d. salesmen.

9. The buyer who wants to be supplied with reliable product information can get it from the:

   a. resource file.
   b. vendor's diary.
   c. central market.
   d. testing laboratory.

10. The retailer's representative in the central market is the:

   a. buying office.
   b. wholesale.
   c. retailer.
   d. division manager.

LAP TEST ANSWER KEY: CHOOSING THE VENDOR

1. d
2. b
3. a
4. d
5. b
6. b
7. d
8. a
9. d
10. a

File Code: 27.11.01.04.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
(Havre AFB, Montana 59231)

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Negotiating the Price

OBJECTIVE:

Given a list of terms related to price negotiation, identify the meaning of each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 41 through 50.
3. Answer questions 1 through 12 under "Talking Busness" on pages 50 and 51, and questions 2, 3, and 6 under "Sharpen Your Outlook" on pages 51 and 52, on a separate sheet of paper. Answer the questions on pages 43, 44, 45, 46, 47, 48, and 50 "Learning Pacers". Cover the answers on the right prior to answering questions.
4. Turn in your answer sheets to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.04.A2-2

Date: _____ Date Published: 8/12/75

LAP TEST: NEGOTIATING THE PRICE

1. A reduction from list price offered by the seller to encourage the buyer to purchase in large quantities is a:

   a. trade discount.
   b. seasonal discount.
   c. cash discount.
   d. quantity discount.

2. A discount given on a single order to encourage the buyer to place larger orders is what type of a quantity discount?

   a. Noncumulative.
   b. Cumulative.
   c. Patronage.
   d. Seasonal.

3. A discount given on the total quantity purchased over a given period is what type of a quantity discount?

   a. Seasonal discount.
   b. Noncumulative.
   c. Patronage.
   d. Cumulative.

4. A reduction from list price given to buyers for the marketing functions that they are expected to perform is a:

   a. chain of discount.
   b. trade discount.
   c. noncumulative.
   d. quantity discount.

5. A price reduction given by the seller to the buyer in payment for promotional services performed by the buyer is a:

   a. promotional allowance.
   b. cash discount.
   c. trade discount.
   d. cumulative discount.

6. The credit period is based on the date appearing on the bill or invoice if what dating is used?

   a. Extra dating.
   b. Advanced dating.
   c. Season dating.
   d. Ordinary dating.

7. The credit period is based on the buyer's selling season if what type of dating is used?

   a. Advanced dating.
   b. Extra dating.
   c. Season dating.
   d. Ordinary dating.

8. The practice allowing a buyer additional number of days before the credit terms begin to apply is known as:

   a. advanced dating.
   b. extra dating.
   c. ordinary dating.
   d. EOM dating.

9. Payment must be made by the buyer when goods are received if merchandise is sold on what basis?

   a. Consignment.
   b. Anticipation.
   c. FOB.
   d. COD.

10. The supplier owns the goods until they are delivered to the transportation firm when merchandise is shipped FOB:

    a. Consignment.
    b. City of destination.
    c. Store.
    d. Shipping point.

LAP TEST ANSWER KEY: NEGOTIATING THE PRICE

1. d
2. a
3. d
4. b
5. a
6. d
7. c
8. b
9. d
10. d

File Code: 27.11.01.05.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Planning a Merchandise Budget

OBJECTIVE:

Identify terms related to planning a merchandise budget, define or describe each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 55 through 65.
3. Answer questions 1 through 7 under "Talking Business" on page 66, and questions 1, 3, 4, and 6 under "Sharpen Your Outlook" on pages 66 and 67, on a separate sheet of paper. Answer questions on pages 57, 59, 60, 62 and 65. Cover answers on the right prior to answering questions.
4. Turn in your answer sheets to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.05.A2-2

Date: _____ Date Published: 8/12/74

LAP TEST: PLANNING A MERCHANDISE BUDGET

1. A projection in dollars, of the sales goals of a department or an entire store is a:

   a. term of sale.
   b. reasonable goal.
   c. memorandum.
   d. merchandise plan.

2. In a larger store, the merchandise plan is initiated by the:

   a. wholesaler.
   b. salespeople.
   c. division manager.
   d. buyer.

3. The various departmental and divisional merchandise plans are combined into a master plan for the store by the:

   a. buyer.
   b. division manager.
   c. controller.
   d. store manager.

4. A good indication of future sales can be gained by studying the figures of the store's:

   a. merchandise plan.
   b. competitors.
   c. past sales.
   d. consignment.

5. Realistic sales forecast must take into account general:

   a. merchandise resources.
   b. business conditions.
   c. competitors.
   d. manufacturers.

6. In constructing the merchandise plan to meet the planned volume of sales, it is necessary to determine the:

   a. amount of stock.
   b. past sales.
   c. consumer surveys.
   d. price-lining.

7. The number of times that the average amount of stock on hand is sold during a certain period is the rate of:

   a. staple goods.
   b. marking.
   c. stock turnover.
   d. price-lining.

8. A reduction in the retail price of merchandise is known as a:

   a. trading down.
   b. price-lining.
   c. marking.
   d. mark-down.

9. The buyer plans markdowns to stimulate:

   a. thefts.
   b. adequate assortment.
   c. cumulative markup.
   d. sales.

10. The difference in the cost and the retail price of the total merchandise handled in a department is the:

    a. consignment.
    b. expense reduction.
    c. cumulative markup.
    d. cash discount.

LAP TEST ANSWER KEY: PLANNING A MERCHANDISE BUDGET

1. d
2. d
3. c
4. c
5. b
6. a
7. c
8. d
9. d
10. c

File Code: 27.11.01.06.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Planning a Merchandise Assortment

OBJECTIVE:

Identify terms related to planning a merchandise assortment, define each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 69 through 81.
3. Carefully study the illustrations throughout the reading assignment for additional information.
4. Answer questions 1 through 8 under "Talking Business" on pages 81 and 82, and questions 1, 4, 5, and 7 under "Sharpen Your Outlook" on pages 82 and 83 on a separate sheet of paper. Answer questions on pages 70, 71, 72, 78 and 79. Cover the answers on the right prior to answering questions.
5. Turn in your answer sheets to the instructor.
6. Return the text.
7. Take the LAP test. Correct all errors.
8. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

Student: _____ File Code: 27.11.01.06.A2-2

Date: _____ Date Published: 8/12/74

LAP TEST: PLANNING A MERCHANDISE ASSORTMENT

1. A system, based on physical quantities or units rather than on dollar values, that assists the buyer in keeping stocks adjusted to sales is known as:

   a. merchandise plan.
   b. stock-sales ratio.
   c. unit stock control.
   d. consignment sale.

2. When a minimum stock quantity has been reached, what will show when stock must be ordered?

   a. Merchandise plan.
   b. Stock-sales ratio.
   c. Unit control records.
   d. Vendor's diary.

3. What helps the buyer in gauging which items should be offered in sales?

   a. Vendor's diary.
   b. Merchandise plan.
   c. Unit-control records.
   d. Tickler file.

4. The buyer is able to use his capital wisely from information revealed by:

   a. a tickler file.
   b. stock-control records.
   c. unit-control records.
   d. a merchandise plan.

5. What is used to remind the buyer when the count of certain portions of stock is to be taken?

   a. Unit-control records.
   b. A basic stock list.
   c. A tickler file.
   d. A vendor's diary.

6. The minimum amount of stock that should be on hand for each type of goods sold and the quantity that should be recorded are shown in the:

   a. tickler file.
   b. basic stock list.
   c. unit-control records.
   d. merchandise plan.

7. If merchandise is placed in different lines according to size, the sizes that need to be recorded can be determined by a:

   a. visual inspection.
   b. tickler file.
   c. stock-control record.
   d. unit-control record.

8. Sales information for the unit-control records is taken from the:

   a. vendor's diary.
   b. tickler file.
   c. sales check.
   d. cash register.

9. Coded unit-control information may be recorded at the time of the sale on the:

   a. unit-control records.
   b. sales slip.
   c. stock-control records.
   d. cash register.

10. What helps the buyer to detect changes in kinds of merchandise brought about in customer buying habits?

    a. Stock-control records.
    b. Unit-control records.
    c. Tickler file.
    d. Vendor's diary.

LAP TEST ANSWER KEY: PLANNING A MERCHANDISE ASSORTMENT

1. c
2. c
3. c
4. c
5. c
6. b
7. a
8. c
9. d
10. a

Student: _____ File Code: 27.11.01.07.A2-2

Date: _____ Date Published: 8/12/74

LAP TEST: STOCK TURNOVER

1. Before the buyers can determine the rate of turnover, the buyers must find the:

   a. unit-stock control.
   b. daily sales per item.
   c. average inventory.
   d. vendor's diary.

2. By adding the inventory he had at the opening of a period to the inventory he had at the close of a period and dividing by two, the buyer finds the:

   a. fast selling items.
   b. average inventory.
   c. stock sales ratio.
   d. stock turnover.

3. The buyer divides the net sales (at retail value) by the average stock at retail in order to determine the:

   a. rate of turnover on a retail basis.
   b. rate of turnover on a wholesale basis.
   c. average inventory.
   d. shortage.

4. A buyer has no way of comparing his department's rate of turnover with that of similar departments in other stores:

   a. some of the time.
   b. true.
   c. false.
   d. never.

5. Many of the operating expenses are proportionally reduced as the department increases its:

   a. wholesalers.
   b. stock on hand.
   c. staff's enthusiasm.
   d. rate of turnover.

6. The buyer is open to buy new merchandise more frequently when:

   a. the rate of turnover is fast.
   b. the staff has enthusiasm.
   c. there is limited assortment of merchandise.
   d. the store has a complete stock.

7. Stock will move slowly if a buyer is not aware of the wants of the:

   a. divisional manager.
   b. store manager.
   c. customer.
   d. wholesaler.

8. Sales will suffer if the buyer does not transmit information about the merchandise to his:

   a. divisional manager.
   b. salespeople.
   c. wholesaler.
   d. stock manager.

9. Slow turnover may be caused by the buyer's failure to:

   a. make use of unit control records.
   b. keep in contact with the wholesaler.
   c. make use of stock control data.
   d. make use of unit stock sales ratio.

10. A buyer can increase sales without increasing costs if he used good:

    a. bookkeeping.
    b. store policies.
    c. advertising.
    d. stock control.

LAP TEST ANSWER KEY: STOCK TURNOVER

1. c
2. b
3. a
4. c
5. d
6. a
7. c
8. b
9. c
10. c

Student: _____ File Code: 27.11.01.08.A2-2

Date: _____ Date Published: 8/12/74

LAP TEST: PRICING

1. The amount of money needed at a given time by the customer to acquire a particular type of product is the:

   a. want.
   b. marking.
   c. need.
   d. price.

2. At the point where a fashion item is produced for mass distribution, it has reached:

   a. the peak of the fashion cycle.
   b. high-fashion distribution.
   c. acceptance by tastemakers.
   d. popularity decline.

3. In pricing merchandise, the buyer must consider whether the supply exceeds the:

   a. competition.
   b. markup.
   c. demand.
   d. operating expenses.

4. Sacrificing profits on a few items in order to attract customers is known as:

   a. leader pricing.
   b. mark down.
   c. cost discount.
   d. price cutting.

5. If goods are sold at any given time to all customers at the price that is marked clearly on the goods, what type of policy is being used?

   a. Unfair sales practice.
   b. Variable price.
   c. Price lines.
   d. One-price.

6. If the price paid by a customer at a given time for certain item is determined by a bargaining process between the customer and the salesperson, what policy is being used?

   a. Hard sell.
   b. One-price.
   c. Variable price.
   d. Bartering.

7. The limited number of prices at which a particular type of merchandise is sold is known as:

   a. one-price.
   b. fair-trade.
   c. price lines.
   d. variable price.

8. Some retailers believe that odd-cent prices have an effect on customers; that effect is:

   a. psychological.
   b. toxic.
   c. gastronomical.
   d. anatomical.

9. Laws that permit the manufacturer to determine the retail prices at which his merchandise will be sold are known as what acts?

   a. Fair-trade.
   b. Ceiling.
   c. Markdown.
   d. Competing.

10. Laws that set limits below which retailers may not price their merchandise are known as what acts?

    a. Cumulative markup.
    b. Fair-trade practices.
    c. Minimum stock quantity.
    d. Unfair trade practices.

LAP TEST ANSWER KEY: PRICING

1. d
2. a
3. c
4. a
5. d
6. c
7. c
8. a
9. a
10. d

Student: _____ File Code: 27.11.01.00.B2-2

Date: _____ Date Published: 8/8/74

UNIT POST TEST: MERCHANDISE BUYING

27.11.01.01

1. A buyer of a department of a store must stay within reasonable limits of his operating:

   a. public relations.
   b. capabilities.
   c. enthusiasm.
   d. expenses.

2. Materials, equipment, and supplies that are used in the operation of an industrial firm are purchased by a (n):

   a. wholesale buyer.
   b. industrial buyer.
   c. promotion manager.
   d. office manager.

3. The buyer is responsible for providing the sales force with:

   a. public relations training.
   b. enthusiasm.
   c. merchandise training.
   d. promotion planning.

4. For the sake of good coordination when buying, the buyer often seeks guidance from the:

   a. office manager.
   b. receiving department.
   c. marketing department.
   d. promotion division.

5. A system which quickly presents the important facts about the merchandise to the salesperson and the customer is the:

   a. receiving system.
   b. marking system.
   c. wholesale system.
   d. promtion system.

27.11.01.02

6. A list which contains a description of the items which are in constant demand is called a:

   a. want list.
   b. common stock list.
   c. basic stock list.
   d. consumer survey.

7. Questionnaires are frequently utilized by stores to conduct:

   a. reporting services.
   b. trade papers.
   c. consumer surveys.
   d. fashion coordination.

8. A specialist who advises a store's merchandising and advertising divisions about style trends is called a:

   a. division manager.
   b. sales representative.
   c. comparison shopper.
   d. fashion coordinator.

9. Publications that provide information on new products and styles in a particular field are called:

   a. consumer surveys.
   b. reporting services.
   c. fashion coordinators.
   d. trade papers.

10. Items that have a good sales record over a long period of time, are known as:

    a. repeat items.
    b. styles.
    c. staple goods.
    d. national brands.

27.11.01.03

11. A record of pertinent facts about merchandise resource that have supplied the store with goods is a:

    a. sales record.
    b. merchandise resource.
    c. central market.
    d. resource file.

12. When a retailer is located same distance from the source of supply, in order to find his merchandise resource, the buyer must travel to the:

    a. trade show.
    b. merchandise resource.
    c. resource file.
    d. central market.

13. Stores that buy small quantities of many different items find that their best sources of supply are:

    a. central market.
    b. retailers.
    c. manufacturers.
    d. wholesalers.

14. A record of the buyer's experience with each of his principal resources is contained in the:

    a. merchandise resources.
    b. vendor's diary.
    c. resource file.
    d. reporting services.

15. The retailer's representative in the central market is the:

    a. buying office.
    b. wholesaler.
    c. retailer.
    d. division manager.

27.11.01.04

16. In every price negotiation, the buyer must consider not only the price and quality of the merchandise, but also the:

    a. cash discount.
    b. sale discount.
    c. terms of sale.
    d. promotional allowance.

17. The credit period is based on a date later than the date of the invoice if what type of dating is used?

    a. Advanced dating.
    b. Ordinary dating.
    c. Season dating.
    d. Extra dating.

18. When credit terms begin at the end of the month in which the goods are purchased instead of from the date of the invoice, it is:

    a. ROG dating.
    b. extra dating.
    c. advanced dating.
    d. EOM dating.

19. When credit terms apply from the date that the goods are received by the buyer, it is:

    a. extra dating.
    b. EOM dating.
    c. advanced dating.
    d. ROG dating.

20. Title remains with the vendor, and the buyer may return unsold goods, in what type of a sale?

    a. Memorandum.
    b. Consignment.
    c. Purchase order.
    d. Boutique.

27.11.01.05

21. A projection in dollars, of the sales of goals of a department or an entire store is a:

    a. term of sale.
    b. reasonable goal.
    c. memorandum.
    d. merchandise plan.

22. In a larger store, the merchandise plan is initiated by the:

    a. wholesaler.
    b. salespeople.
    c. division manager.
    d. buyer.

23. The various departmental and divisional merchandise plans are combined into a master plan for the store by the:

    a. buyer.
    b. division manager.
    c. controller.
    d. store manager.

24. A good indication of future sales can be gained by studying the figures of the store's:

    a. merchandise plan.
    b. competitors.
    c. past sales.
    d. consignment.

25. The buyer plans markdowns to stimulate:

    a. thefts.
    b. adequate assortment.
    c. cumulative markup.
    d. sales.

27.11.01.06

26. When a minimum stock quantity has been reached, what will show when stock must be ordered?

    a. Merchandise plan.
    b. Stock-sales ratio.
    c. Unit control records.
    d. Vendor's diary.

27. The buyer is able to use his capital wisely from information revealed by:

    a. a tickler file.
    b. stock-control records.
    c. unit-control records.
    d. a merchandise plan.

28. The minimum amount of stock that should be on hand for each type of goods sold and the quantity that should be recorded are shown in the:

    a. tickler file.
    b. basic stock list.
    c. unit-control records.
    d. merchandise plan.

29. Coded unit-control information may be recorded at the time of the sale on the:

    a. unit-control records.
    b. sales slip.
    c. stock-control records.
    d. cash register.

30. What helps the buyer to detect changes in kinds of merchandise brought about in customer buying habits?

    a. Stock-control records.
    b. Unit-control records.
    c. Tickler file.
    d. Vendor's diary.

27.11.01.07

31. By adding the inventory he had at the opening of a period to the inventory he had at the close of a period and dividing by two, the buyer finds the:

    a. fast-selling items.
    b. average inventory.
    c. stock-sales ratio.
    d. stock turnover.

32. Many of the operating expenses are proportionally reduced as the department increases its:

    a. wholesalers.
    b. stock on hand.
    c. staff's enthusiasm.
    d. rate of turnover.

33. The buyer is open to buy new merchandise more frequently when:

    a. the rate of turnover is fast.
    b. the staff has enthusiasm.
    c. there is limited assortment of merchandise.
    d. the store has a complete stock.

34. Stock will move slowly if a buyer is not aware of the wants of the:

    a. divisional manager.
    b. store manager.
    c. customer.
    d. wholesaler.

35. Slow turnover may be caused by the buyer's failure to:

    a. make use of unit-control records.
    b. keep in contact with the wholesaler.
    c. make use of stock control data.
    d. make use of unit stock sales ratio.

27.11.01.08

36. At the point where a fashion item is produced for mass distribution, it has reached:

    a. the peak of the fashion cycle.
    b. high fashion distribution.
    c. acceptance by tastemakers.
    d. popularity decline.

37. In pricing merchandise, the buyer must consider whether the supply exceeds the:

    a. competition.
    b. markup.
    c. demand.
    d. operating expenses.

38. Most buyers take a long-term view and do not indulge in drastic price changes that affect:

    a. stock inventory.
    b. customer relations.
    c. salespeople's enthusiasm.
    d. price stability.

39. Laws that permit the manufacturer to determine the retail prices at which his merchandise will be sold are known as what acts?

    a. Fair-trade.
    b. Ceiling.
    c. Markdown.
    d. Competing.

40. Laws that set limits below which retailers may not price their merchandise are known as what acts:

    a. Cumulative markup.
    b. Fair-trade practices.
    c. Minimum stock quantity.
    d. Unfair trade practices.

UNIT POST TEST ANSWER KEY: MERCHANDISE BUYING

LAP .01

1. d
2. b
3. c
4. d
5. b

LAP .02

6. c
7. c
8. d
9. d
10. a

LAP .03

11. d
12. d
13. d
14. b
15. a

LAP .04

16. c
17. a
18. d
19. d
20. b

LAP .05

21. d
22. d
23. c
24. c
25. d

LAP .06

26. c
27. c
28. b
29. d
30. a

LAP .07

31. b
32. d
33. a
34. c
35. c

LAP .08

36. a
37. c
38. d
39. a
40. d

File Code: 27.10.01.06.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Havre, Montana 59501

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Evaluating Advertising

OBJECTIVE:

Given a list of terms related to the evaluation of advertising effectiveness, identify or define each term.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Advertising, Antrim, 1970.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 111 through 133.
3. Answer questions 1 through 12 under "Talking Business" on pages 133 and 134, on a separate sheet of paper.
4. Turn in your answer sheet to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

File Code: 27.11.01.07.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Stock Turnover

OBJECTIVE:

Given the value of the inventory of a retail store for each month of a calendar year, and the total retail sales of a year, calculate the rate of stock turnover.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 85 through 92.
3. Carefully study the calculations and illustrations given throughout the reading assignment for additional information.
4. Answer questions 1 through 6 under "Talking Business" on pages 92 and 93, and questions 1, 3, and 4 under "Sharpen Your Outlook" on page 93, on a separate sheet of paper. Answer questions on pages 87, 90, and 92. Cover answers on right side prior to answering questions.
5. Turn in your answer sheets to the instructor.
6. Take the LAP test. Correct all errors.
7. When this LAP is successfully completed, proceed to the next LAP.

Principal Author(s): B. Egan

File Code: 27.11.01.08.A2-0

Date Published: 3/24/75

Mountain-Plains Education & Economic Development Program, Inc.
Glasgow AFB, Montana 59231

Learning Activity Package

Student: _____

Date: _____

PERFORMANCE ACTIVITY: Pricing

OBJECTIVE:

Given a list of terms related to the pricing of merchandise, define each term and name six factors that are considered by buyers when they determine prices of merchandise.

EVALUATION PROCEDURE:

Complete a student scored multiple-choice type of test. Successful completion is eight out of ten items.

RESOURCES:

Buying and Pricing, Dorr, Richert, Meyer, Haines, 1971.

PROCEDURE:

1. Obtain a copy of the text and go to your study area.
2. Read pages 97 through 103.
3. Answer questions 1 through 10 under "Talking Business" on page 104, and questions 1 through 8 on page 105, on a separate sheet of paper. Answer questions on pages 100, 103, and 104. Cover answers on right prior to answering.
4. Turn in your answer sheets to the instructor.
5. Return the text.
6. Take the LAP test. Correct all errors.
7. Ask instructor for unit test, hand to instructor for correction.

Principal Author(s): B. Egan